

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF JOHNSON COUNTY GAS)	CASE NO. 10415-S
COMPANY, INC.)	

O R D E R

On April 24, 1991, in Case No. 91-004, the Commission approved adjustments to the rates of Johnson County Gas Company, Inc. ("Johnson County") on a quarterly basis in accordance with the Gas Cost Adjustment ("GCA") Clause set forth in the Order.

On October 4, 1994, Johnson County filed its GCA to become effective from October 1, 1994 to January 1, 1995.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Johnson County's notice of October 4, 1994 proposed revised rates designed to pass on its decreased wholesale gas costs to its customers. Johnson County's EGC is \$3.0050 per Mcf.

2. Johnson County's notice set out no refund adjustment.

3. Johnson County's notice set out a current quarter actual adjustment ("AA") of .6 cent per Mcf to recoup unrecovered gas cost from April, May, and June 1994. The proposed total AA of 3.2 cents per Mcf reflects the current under-recovery as well as under- and over-recoveries from previous quarters.

4. Johnson County's notice set out a current quarter balance adjustment ("BA") of .5 cent per Mcf to reconcile previous

adjustment variances. Johnson County's total BA of .5 cent per Mcf is designed to incorporate the current and previous quarters' BA.

5. These adjustments produce a gas cost recovery rate of \$3.0420 per Mcf, 65.54 cents per Mcf less than the prior rate.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved. Pursuant to KRS 278.180, Johnson County requested a waiver of the 30-day notice requirement. The rates in the Appendix should be approved for service rendered on and after the date of this Order.

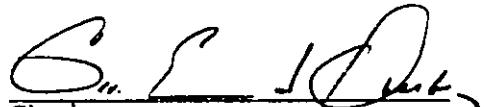
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after the date of this Order.

2. Within 30 days of the date of this Order, Johnson County shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 4th day of November, 1994.

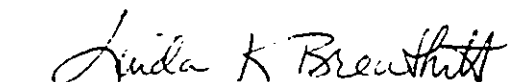
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10415-S DATED NOVEMBER 4, 1994.

The following rates and charges are prescribed for the customers served by Johnson County Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge			\$3.00
All Mcf	\$2.9871	\$3.0420	\$6.0291

A surcharge of \$.4155 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.